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THE TARIFF AND THE LUMBER TRADE

BY W. B. MERSHON,
Saginaw, Mich.

In writing on the tariff as it affects our American industries through the importation of Canadian timber, it is hard to determine just where to begin. Perhaps I might begin by saying that I have been in the white pine lumber business here in the Saginaw Valley all my business life, extending over a period of thirty years, and for that reason should be qualified to give a more or less valuable expert opinion.

Years ago Michigan was full of standing pine, and the Saginaw River was lined with saw mills from one end to the other. In 1884 over one thousand million feet of white pine lumber was manufactured on the Saginaw River. Last year there was not over twenty-five million of white pine manufactured in the same district. With this vast quantity of raw material—by raw material I mean white pine lumber standing in our forests here years ago—it was natural that this valley should begin to develop the manufacture of the same, and that numerous planing mills and box factories should start, beginning first as small affairs, but gradually growing until a vast industry was built up. Those interested in this great industry, as the pine forests began to disappear, were far-sighted, and with good judgment secured timber lands in Canada, with the idea that the Georgian Bay district, being so near and accessible, the logs could be towed from Georgian Bay across Lake Huron and up the Saginaw Bay to the Saginaw River for manufacture into lumber, thus prolonging the life of the planing mills, box factories, sash and door factories, and other cognate industries for many years to come.

Then came the American tariff, imposing a duty of two dollars a thousand on sawed lumber imported to this country from Canada, and, in retaliation, Canada, with good reason, said that if lumber cut by Canadians within Canadian borders cannot be shipped into the United States as rough lumber without paying a tax of two dollars a thousand, then the American mill owner shall not

ship or remove saw logs from Canadian territory unless the same be manufactured into lumber on Canadian soil, and from that time on all sales of Canadian timber have been made with a proviso that it should be manufactured within Canadian territory.

What is the result? The forests of Michigan are gone. The supply of white pine that we were able to obtain from the Duluth district and along the shore of Lake Superior has nearly vanished, so that we have to go to Canada for our raw material or else go out of the manufacturing business.

The box manufacturing industry alone of the Saginaw Valley reached tremendous importance. One company cut up over thirty million feet of white pine into boxes annually, and the high-water mark of the industry was reached in 1902, but since that time has been gradually declining, not because more boxes have not been used, not because there was not a greater demand for packing boxes of all descriptions, but because of the continued increase in cost and the growing scarcity of the raw material. During the last four years at least thirty per cent of the box factories of the Saginaw Valley have gone out of commission. Four years ago one company operating a box factory and a planing mill at Saginaw and Bay City handled one hundred million feet of white pine lumber, and ninety-five per cent of it passed through the planing mill, box factory or door factory, or, in other words, was sold as finished product and not as rough lumber.

With the growth of the Canadian Northwest and with the advantage that Canada has in exporting, the Canadian handlers of white pine lumber are able to bid successfully for the products of the saw mills as against their American competitors, for the American manufacturer is handicapped by having to pay the two dollars per thousand tariff to his own government on every thousand feet of this raw material that he brings to his factory in the United States, wherein home labor is employed to manufacture it into dressed lumber, sash, doors, blinds, window frames, packing boxes, etc.

In an address delivered by Charles Willis Ward, of Queens, Long Island, January 23, 1907, in reply to the address of welcome delivered by the Lieutenant Governor to the American Carnation Society, at Toronto, speaking of the resources of Canada, he said: "From the Atlantic to Lake Winnipeg, and from the northern

boundary of Lake Superior to near the southern shore of Hudson Bay, are still standing countless thousands of millions of valuable timbered forests, and the same is true along the western borders of the Rocky Mountains, among the Selkirks and bordering the Pacific Ocean from Vancouver northward to Alaska. While I have no figures to support the assertion, I will risk the opinion that Canada has to-day ten times the area standing in original forests that now remain in the United States, and the day is not far distant when the largest proportion of the timber consumed in the United States must of necessity be drawn from Canadian forests."

Now, as a manufacturer, as an employer of labor, and as one who has been in the lumber business all his life and is now engaged in it, as an owner of forests and timber lands and saw mills, I cannot see wherein the government of the United States is not making a great mistake in maintaining this tariff upon rough lumber, taxing our home industries for their raw material and offering a premium for the destruction of our present forest area. Canadian white pine will be manufactured at the mills along the Georgian Bay for many years to come, and American industries built up by our home product that is now exhausted should have free access to this, their only source of supply.